

Message Text

UNCLASSIFIED

PAGE 01 MEXICO 04900 151934Z

46

ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 OPR-02 PER-03 ABF-01 FSE-00

AID-05 CIAE-00 COME-00 EB-07 FRB-01 INR-07 NSAE-00

USIA-15 XMB-04 OPIC-06 SP-02 CIEP-02 LAB-04 SIL-01

OMB-01 AGR-10 NSC-05 SS-15 STR-04 CEA-01 L-03 H-02

PRS-01 PA-02 INT-05 /121 W
----- 088560

P 151851Z APR 76

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC PRIORITY 4276

INFO TREASURY WASHDC PRIORITY

UNCLAS MEXICO 4900

EO 11652: NA

TAGS: EFIN MX

SUBJECT: PESO EXCHANGE RATE

1. BOTH PRESIDENT ECHEVERRIA AND TREASURY SECRETARY BETETA DENOUNCED DEVALUATION RUMORS ON APRIL 14. MOST RECENT RUMORS BASED ON APRIL 13 WALL STREET JORNAL ARTICLE WHICH WAS NOT REPORTED IN MEXICAN PRESS, BUT SOON BECAME KNOWN BY WORD OF MOUTH, AND BECAME AVAILABLE ON LOCAL NEWSTANDS FOLLOWING DAY.

2. PRESIDENT ECHEVERRIA WAS ASKED DURING PRESS CONFERENCE WITH LUXEMBOURG PRIME MINISTER ABOUT WALL STREET JOURNAL ARTICLE. HE RESPONDED THAT "THIS NOTE, LIKE OTHERS IN THE PAST FOUR OR FIVE YEARS IS DUE TO THE 1954 DEVALUATION.

...AS WE APPROACH HOLY SATURDAY SOME INTERNATIONAL NEWS AGENCIES AND NORTH AMERICAN NEWSPAPERS THAT DON'T LIKE US VERY MUCH SAY: NOW ITS COMING, NOW ITS COMING AND NOW ITS COMING. THEY HAVE BEEN DOING THIS FOR 22 YEARS DURING THESE DAYS. TI SEEMS THEY HAVE GREAT DESIRES."

3. TREASURY SECRETARY BETETA SAID THAT NOBODY IS
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MEXICO 04900 151934Z

ADVISING A DEVALUATION OF THE PESO XECAUSE IT IS

ONE OF THE WORLD'S STRONG CURRENCIES. HE ADDED THAT IT WAS NOT HE WHO SAYS THIS, BUT RATHER IMF WHICH CLASSIFIES IT THUS. BETETA CALLED DEVALUATION RUMORS UNINFORMED WITH EVIL INTENTIONS AND STATED THAT NOT ONLY WILL MEXICO MAINTAIN ITS EXCHANGE RATE, BUT IT WILL ALSO CONTINUE ITS FREE CONVERTIBILITY.

4. COMMENT: MEXICAN BANKS ARE CLOSED THURSDAY AND FRIDAY, THEREBY REDUCING IMPACT WALL STREET JOURNAL MIGHT HAVE HAD ON CAPITAL FLIGHT. ARTICLE DID NOT ADD ANYTHING NEW TO DEVALUATION GOSSIP THAT HAS LONG BEEN CIRCULATING IN MEXICO, BUT ITS APPEARANCE IN RESPECTABLE PAPER THAT ONE CAN BUY ON LOCAL NEWSTANDS DOES GIVE GREATER CREDENCE TO GOSSIP. ARTICLE WAS ONE-SIDED IN THAT IT FAILED TO PRESENT GOM'S VIEWS OR OUTLINE ITS PROGRAM WHICH IS GEARED TO AVOID NEED FOR DEVALUATION. THOMPSON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN EXCHANGE RATES, PESO
Control Number: n/a
Copy: SINGLE
Draft Date: 15 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MEXICO04900
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760143-0682
From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760458/aaaabxbn.tel
Line Count: 78
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: oatisao
Review Comment: n/a
Review Content Flags:
Review Date: 30 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 JUN 2004 by SilvaL0>; APPROVED <10 SEP 2004 by oatisao>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PESO EXCHANGE RATE
TAGS: EFIN, MX
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006